

Entrepreneurship Education at the Crossroad in Hong Kong

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While Hong Kong is one of the world's leading financial and business centres in the Asia-Pacific region, a recent survey conducted noted that only 3 out of every 100 people in Hong Kong had started their own business in the previous 42 months. As entrepreneurs are so important to our economy, schools should be responsible for cultivating in students a suitable entrepreneurial spirit and skills. Unfortunately, entrepreneurial training in secondary school does little to pave the way for students to pursue their future career planning and is unable to match the future needs of society. With the recent introduction of the New Secondary School Curriculum (NSSC), this article questions if entrepreneurship education could be taught through the introduction of a new course: Business, Accounting, and Financial Studies (BAFS). This research was conducted, through the eyes of business subject panel chairs, to determine a) the importance of entrepreneurship education and b) whether the new BAFS initiative can fulfill the role of promoting entrepreneurship education in Hong Kong.

Keywords: Business; Accounting and Financial Studies; Education Reform; Entrepreneurship Education; Hong Kong; New Secondary School Curriculum

Introduction

From its beginnings as an entrepot in 1841, Hong Kong has become one of the world's leading financial and business centres in the Asia-Pacific region, a leading financial and commercial "hub" and a gateway between China and the rest of the world. Despite the abrupt changes resulting from global as well as local economic downturns in the past such as the Asia financial crisis in 1997, severe acute respiratory syndrome (SARS) in 2003, the US financial tsunami in 2008, and the recent catastrophic earthquake in Japan, Hong Kong still excels and continues to prosper. This is partly because there is a pool of entrepreneurial talents able to meet changing economic situations. At present, small and medium-sized enterprises represent 98% of all local enterprises. It is no exaggeration to say that entrepreneurs are vitally important to the sustainable economic development of Hong Kong.

Despite this, a survey conducted for the Global Entrepreneurship Monitor noted that only 3 out of every 100 people in Hong Kong had started their own business in the previous 42 months—ranking the city third last among the 35 economies surveyed (Thomas, 2010). This is a substantial decrease in entrepreneurship compared to the same survey conducted in 2007, where 1 in every 10 Hong Kong people had just started up a business. As entrepreneurs are so important to our economy, Cheung and Au (2010) argue that schools should be responsible for cultivating in students a suitable entrepreneurial spirit and skills. Unfortunately, the existing business curriculum in Hong Kong secondary schools lacks significant programs in entrepreneurship. Entrepreneurial training in secondary school does little to pave the way for students to pursue their future career planning and is unable to match the future needs of society. Teenagers wishing to learn about entrepreneurship and teachers wanting their students to receive training in this area have to turn to programs outside the formal curriculum. With the recent introduction of the New Secondary School Curriculum (NSSC),

it is timely to see if entrepreneurship education could be taught through the introduction of a new course: Business, Accounting, and Financial Studies (BAFS). This research was conducted, through the eyes of business subject panel chairs, to determine a) the importance of entrepreneurship education and b) whether the new BAFS initiative can fulfill the role of promoting entrepreneurship education in Hong Kong.

The Importance of Entrepreneurship Education

Entrepreneurship education is important in many aspects. It can provide students with an understanding of business—its purposes, its structure, and its interrelationship with other segments of the economy and society. Many studies have noted that an entrepreneurship course has a positive impact on students' views of entrepreneurship. Mohan-Neill (2001) suggested that students exposed to entrepreneurship education have more favourable views of small businesses. A study conducted by Waldmann (1997) indicated that entrepreneurship education at the high school level would have a great impact on the number of students who would seriously consider starting a business sometime after graduation. Kolvereid and Moen (1997) argued that entrepreneurship graduates have stronger entrepreneurial intentions than other business graduates. In Hong Kong, the study by Cheung (2008) confirmed the effectiveness of entrepreneurship education in teaching secondary pupils about many aspects related to work.

We live in an era in which the effects of globalization on the structure of large corporations and governments are felt worldwide. Large companies are downsizing and are outsourcing their functions. Strong global competition accelerates the work processes, causing the loss of many jobs. The crisis is there, but so are the opportunities. When working for a company becomes insecure, people start to become their own boss. When technology is advanced, jobs are without boundaries. This increases the number of small-to-medium-sized entrepreneurs. Evidence

in Europe has shown that a change in economy will lead to a growth in small enterprises and naturally the demand for entrepreneurship programmes (Hayward & Sundes, 2000). A similar situation can be seen in the US, and Kourilsky (1995) noted that these enterprises are the driving force for economic growth through the creation of jobs and innovative products and services.

Entrepreneurship education focuses on life. A successful entrepreneur must not only have knowledge of the business world, but also possess a set of generic attributes, skills and behaviours—such as those related to communication, creativity, and problem-solving—that are important to life as well as to business. Therefore, if entrepreneurship education is conducted with a view to promoting students' personal attributes, then it can have a substantial impact on students' careers, regardless of whether they plan to become entrepreneurs. Entrepreneurship education can also be a societal change agent. The research by Danko (2005) found that entrepreneurship education is a great enabler. Entrepreneurship education equips students in many aspects like self-empowerment, values clarification, role modeling, and systems thinking. This is important for all students, not only those who aim to become entrepreneurs. The value of, and need for, entrepreneurship education can be summed up in a report by the Global Education Initiative of the World Economic Forum (Wilson & Sepulveda, WEF, 2009: pp. 7-8):

While education is one of the most important foundations for economic development, entrepreneurship is a major driver of innovation and economic growth. Entrepreneurship education plays an essential role in shaping attitudes, skills and culture—from the primary level up. We believe entrepreneurial skills, attitudes and behaviours can be learned, and that exposure to entrepreneurship education throughout an individual's lifelong learning path, starting from youth and continuing through adulthood into higher education—as well as reaching out to those economically or socially excluded—is imperative.

At the close of a conference on entrepreneurship education that took place in Hong Kong recently, a list of actions was called upon, and Byers (2010: p. 22) asserted:

Entrepreneurship education is essential for developing the human capital necessary for the society of the future. It is not enough to add entrepreneurship on the perimeter—it needs to be core to the way education operates. Educational institutions, at all levels (primary, secondary and higher education) need to adopt 21st century methods and tools to develop the appropriate learning environment for encouraging creativity, innovation and the ability to “think out of the box” to solve problems. This requires a fundamental rethinking of educational systems, both formal and informal, as well as the way in which teachers or educators are trained, how examination systems function and the way in which rewards, recognition and incentives are given.

The Case of Hong Kong

Before 2009 in Hong Kong, at the end of primary school, students were allocated Form One places in junior secondary schools. Three “bands” in order of merit were formed based on the scaled internal assessment of students in the same school net. The top one-third of students in the same school area went

into the first band in the school area, the next into the second band, and so on. The main part of secondary education lasted for five years, and was made up of a junior cycle of three years, which was compulsory, and a senior cycle of two years, which was not compulsory but almost universal. Students had to take an examination in S.5, and those who obtained sufficient marks could continue their studies in S.6, preparing them for the university entrance examination. Commerce and Principles of Accounts were offered for S.4 and 5 students, while Business Studies and Principles of Accounts were offered for students in S.6 and S.7. However, as a result of the curriculum reform in 2010, every student now has to take 6 years of secondary school education, and the subject Business, Accounting, and Financial Studies is now the only business subject in the senior secondary school curriculum. In addition, whereas in the past, only around 65,000 candidates competed for a place in university, now the figure is over 220,000.

School leavers who cannot find a place in a university or other tertiary institutions are most likely required to find jobs. However, there are not many suitable jobs for them, given their low educational background. Although the Hong Kong government has spent a lot of money in creating temporary jobs in order to reduce the unemployment rate, this measure has been unsuccessful. People will become jobless again after the temporary jobs disappear. In view of this, there have been calls for the introduction of entrepreneurship education into the business curriculum (Cheung, 2008a). However, entrepreneurship education is not developing in Hong Kong at a rate that it should be. While there is little entrepreneurship taught in the secondary school curriculum, private and public organizations play a significant role in the development of entrepreneurship education. They give schools support of various kinds including the provision of seed capital and first hand and the latest information about the business sector. Programs like the Business and Entrepreneur Enhancement Programme; the Teen Entrepreneur Competition; the Young Entrepreneurs Development School-Company Partnership; and Junior Achievement Hong Kong, are provided by tertiary institutions and private companies to help students acquire the knowledge and skills related to entrepreneurship education. Although private and public organizations play an important role in entrepreneurship education, relying on them totally may not be the way forward. Cheung's study (2008) found that while the supporting organizations claimed that they would still play a significant role in the promotion of entrepreneurship education, they hoped that schools themselves would be more active in the promotion of entrepreneurship education. In recent years, schools start to offer entrepreneurship activities with convincing evidence. For example, the study by Cheung and Ng (2010) clearly indicate that conducting entrepreneurship activity learning in business subjects created a positive atmosphere, which enhanced students' motivation to learn and develop generic skills. Furthermore, the study by Cheung and Chan (2011) suggest that Entrepreneurship Education would have a positive impact on the strength of the students' entrepreneurial spirit in terms of starting-up a new business, and a high percentage of students acknowledged that the entrepreneurial knowledge they had acquired would be useful to them.

Business subjects were first introduced into schools to provide training for the low sector of the labour market and for prevocational schools. However, their depth and breadth are questionable, and the status of business education is low. It is

said (Cheung, 2008c) low-ability students will study business education. However, as time goes by, more and more students are recognizing the importance of business education. Not only students in prevocational schools, but also students in grammar schools take business subjects, and the number of students taking business subjects continues to rise. In universities, business subjects are the most sought after among university applicants, and Cheung (1997) many years ago observed this phenomenon and called for the introduction of entrepreneurship education into the business curriculum.

This being the case, how could people learn how to become entrepreneurs, especially school leavers who may not have the passion to further their studies in tertiary institutions, but who want to try their luck through starting a small business? Could schools provide entrepreneurship education for them?

Methodology

There are altogether 533 secondary schools in Hong Kong divided into 3 bands. In this research, stratified sampling was used to identify potential interviewees from schools of different bands. Schools were grouped into three strata based on the bandings, and 10 schools were randomly sampled from each stratum. After a total of 30 schools had been identified, the following criteria were adopted to select the appropriate persons for the interviews.

- a) The sampled schools must have taught business subjects in the past and are now teaching BAFS in the NSS.
- b) Only panel chairpersons will be invited for interview.

Out of these 30 schools, twenty-two schools fulfilled criterion a), and 14 panel chairpersons agreed to be interviewed. Please see the below (**Table 1**) profile of the 14 interviewees.

The interviews were conducted by telephone. Cantonese was used as a medium of conversation, and the interviews were transcribed and translated into English. Each interview took around 30 minutes, and the following two questions were asked.

- Is entrepreneurship education important and why?

- Does the current secondary school curriculum support entrepreneurship education?

Findings

Is Entrepreneurship Education Important?

Findings from the interviews showed that entrepreneurship education is important in Hong Kong secondary schools for the following reasons.

Policy in China

In order to promote the joint economic prosperity and development of the Mainland and the Hong Kong Special Administrative Region, and to facilitate the further development of economic links between the two sides and other countries and regions, China and Hong Kong signed the Closer Economic Partnership Arrangement (CEPA) in 2003. This policy gives more opportunities to Hong Kong people to do business in mainland China, and entrepreneurship education will equip our students to pursue this.

Teacher E: Hong Kong returned to the sovereignty of China in 1997. In the past, when mainland China was poor, people in Hong Kong helped a lot in terms of remitting money to family members and relatives in mainland China. Now, when the economy in China is beginning to prosper, young people can seek opportunities there and entrepreneurship education can better equip them.

Teacher C: Because of the keen competition in Hong Kong, our government is always encouraging young people to seek career opportunities in mainland China, but even if they are willing to do so, they need the knowledge and skills to make it happen. Entrepreneurship education is a must.

Preparing Young People for Economic Change

The changing workplace environment is providing many reasons for entrepreneurship education. Self-employment is an on-going trend as more organizations contract out work rather

Table 1.
Profile of the 14 interviewees.

Teacher	Gender	Number of Years in Teaching	Subjects Taught	Banding of School
A	M	10	BAFS	1
B	M	12	BAFS	1
C	F	14	BAFS, Liberal Studies	1
D	M	14	BAFS	1
E	F	14	BAFS	1
F	M	8	BAFS, Liberal Studies	2
G	M	10	BAFS	2
H	F	10	BAFS, Liberal Studies	2
I	M	11	BAFS, Liberal Studies	2
J	M	6	BAFS, Liberal Studies	3
K	M	8	BAFS	3
L	M	9	BAFS, Liberal Studies	3
M	M	10	BAFS	3
N	F	10	BAFS	3

than employing permanent employees. Big firms are unbundling their various activities and farming them out to small firms that are better at creating profit. Public services are being privatized as governments seek to cut spending and decrease financial deficits. People need to be more flexible and creative regarding their working livelihoods in order to cope with this changing labour market. Furthermore, they need to be enterprising and able to work autonomously, take responsibility and make decisions, work in small teams and continually update their job skills. Entrepreneurship education can play an important role in providing training in these multiple skills that are characteristic of these new work trends, and the education system must be responsible for training enough well-equipped people to sustain the development of the economy.

Teacher G: This is a tougher world now. Long gone are the days when you possessed one skill that helped you work in one job for the rest of your life. Faced with enormous changes in the very competitive world of work today, employees have to learn the importance of continuous development of skills beyond those required for a particular job. To survive, young people must possess some competencies, identified as “employability skills,” to work in a company, or even to start their own business after receiving entrepreneurship education.

Teacher J: University education is seen to be a vehicle for students to get jobs, but only around 18% of the young people in Hong Kong can find a place in tertiary institutions. School leavers, because of their low academic background, may not be able to find a job easily, and starting their own business is an option for them. Entrepreneurship education can prepare them for this.

Teacher E: I have been teaching business subjects for many years, and I can see the importance of entrepreneurship education in helping the future economy in Hong Kong. Hong Kong is a free economy, and we are not just facing local competitors, but also competitors all over the world.

Teacher F echoed this: The Hong Kong government should train people how to be independent and create their own jobs rather than continuously increasing its own financial burden. Entrepreneurship education is the answer.

Teacher B: Education in Hong Kong has always been academically oriented with a focus on further studies, but little on students’ career aspirations. However, not every student can go to university, and I believe that entrepreneurship education could equip them to be better employees, if not even to start their own business.

Teacher K: The answer is obviously yes. Hong Kong has no natural resources, and human resources are what we have. Since Hong Kong is a major financial centre in the world, you should train more entrepreneurs.

The Role of SME in Hong Kong

According to the Census and Statistics Department (C & SD) of the HKSAR Government, there were about 299,000 SMEs in Hong Kong as of March 2011. They accounted for over 98% of the total business units and provided job opportunities to over 1.2 million persons, about 48% of the total number of people employed (excluding Civil Service). The statistics show that a high percentage of people would like to set up their own businesses. The Hong Kong government has been very supportive and has set up various measures set up for SMEs to:

- a) promote and maintain a business-friendly environment;
- b) provide them with more ways of raising finance;

- c) raise the level of their human sources and;
- d) expand their markets.

While all the above measures have been done, the question is: Could schools do anything to help as well?

Teacher H: Before I became a teacher, I worked for the SME for 5 years and I noticed that quite a number of people wanted to take the opportunity to start their own business, but lacked the knowledge and skills to do it. Schools should teach students entrepreneurship, giving them a choice to start their business with or without receiving university education.

Teacher G: I can see that entrepreneurship education could teach students numeracy skills, communication skills, co-operation skills, information technology skills, problem-solving skills and language skills, which are important to their future career, whether it be in the field of business or not.

Does BAFS Help?

While the interviewees supported entrepreneurship education, they were uncertain about the way forward. The recent introduction of BAFS has not been able to solve the problem. Rather, according to many interviewees, it has disturbed what has been done in the past.

Curriculum

Although many young people are interested in starting their own business, they usually do not possess the experience and entrepreneurial skills to do so. The existing secondary curriculum does not provide any training for young people to acquire the knowledge or skills to start a new business. Even for students taking the business stream in secondary schools, the present curriculum does not encompass much of the related entrepreneurial training program. There are complaints that today’s students do not possess real business knowledge, and that they are risk-averse, non-creative, passive, and are unwilling to take up responsibility. How can this situation be improved? Today, the business curriculum should be redefined to narrow the gap between the demands of the business sector and the school curriculum. According to Gormon et al. (1997), citing Bandura (1986), “*education can serve as a preparatory function in relation to new venture initiation or start-up, whereby the transfer of knowledge and acquisition and development of relevant skills would be expected to increase the self-efficacy and effectiveness of the potential entrepreneur*” (p. 56). Therefore, why not foster entrepreneurial training for young people as early as in secondary education? Entrepreneurship education is imperative as today young people are living in a market where unstable jobs, contract work, and unemployment will be the norms. However, with the introduction of BAFS in the NSS, the situation does not seem to have improved.

Teacher D: There is no improvement at all. Students in senior secondary schools can opt for different streams of study, namely Arts, Science, and Business. If you study in the Arts stream, you could take Geography, History, Chinese History, and/or Economics. Science students will choose Physics, Chemistry, and Biology. How about business students? The only subject for them is BAFS. What a joke!

Teacher B: the only way to make people take entrepreneurship education seriously would be to include it in the formal curriculum; otherwise, schools and parents would prefer students to put aside entrepreneurship education and focus on examinations.

Teacher N shared a similar sentiment. She asserted: Besides equipping students to become entrepreneurs, entrepreneurship education is also about developing future leaders for society and providing them with the life skills necessary for navigating in the rapidly changing world.

Teacher J: The development of business education is problematic. Long ago it was seen as inferior because of its association with vocational education. Then, I do not know why, it was put under the Technology Key learning Area some years ago, associating it with subjects like Health Management and Social Care, Home Economics, and Electronics and Electricity. So unrelated! There should be a special stream for business subjects, and entrepreneurship education should be seen as an important element.

Teaching Force

Teacher C: It should be noted that the teaching of accounting is very different from the teaching of finance. While the former focuses on the precision of balancing the numbers, the latter requires a bit more mathematics and statistics. It is difficult to have a teacher who is an expert in both areas. Furthermore, when the many business subjects were combined into one, namely BAFS, the number of teachers required dropped significantly. This has to be put right before dealing with the issue of entrepreneurship education.

Teacher F: When BAFS was introduced to replace other business subjects, the number of business teachers was reduced, and some of the business teachers had to teach a new compulsory subject offered in the NSS, Liberal Studies. This is not right; and the spirits of many business teachers are low.

Conclusion

Hong Kong is famously rich. Its per capita income was US\$31,709 in 2010. At present, small and medium-sized enterprises represent 98 percent of all local enterprises, and it is no exaggeration to say that entrepreneurs are one of the territory's most important assets. As entrepreneurs are so important to our economy, should schools be responsible for cultivating students with suitable entrepreneurial spirit and skills? From this research, teachers recognize the significance of entrepreneurship education, but unfortunately, the existing business curriculum in Hong Kong secondary schools lacks significant programs in entrepreneurship. Entrepreneurial training in secondary school does little to pave the way for students to pursue their future career planning and is unable to match the future needs of society. Teenagers wishing to learn about entrepreneurship and teachers wanting their students to receive training in this area have to turn to programs outside the formal curriculum. The number of schools wanting to engage in entrepreneurship education has increased rapidly, and the number of enterprises willing to commit to these programs is also on the rise.

Society is dynamic and is changing at an increasingly rapid pace. Education in Hong Kong must keep abreast of this accelerated pace of change and provide opportunities for students to learn beyond the confines of the classroom. The New Secondary School Curriculum was seen as a way to improve the situation, but this research suggests that this is not the case. When the previous business subjects were integrated into one subject BAFS, the difficulties were many. I would like to conclude with the words of Ken Robinson, an academic with great

achievements in creativity, education, and the arts. He asserted:

Current systems of education were not designed to meet the challenges we now face. They were developed to meet the needs of a former age. Reform is not enough: they need to be transformed (Robinson, 2011: p. 49).

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